

# Senior Executive Service (SES) Performance Appraisal System Training

# Objectives

## **After this briefing, you will**

- Understand the basis and benefits of the new SES performance system.
- Understand how to develop an SES Performance Plan.
- Understand how summary ratings are derived.

# Background

- In 2011, a workgroup created through the President's Management Council SES Initiative recommended the design of a standard SES Appraisal System.
- A broad and diverse group of Federal agencies and organizations collaborated to develop a single performance appraisal system applicable to all organizations and their SES members.
- OPM also consulted with a broad group of stakeholders throughout the process to ensure the new system incorporates leading practices and reflects all interests and needs, including: the President's Management Advisory Board; SES members; and the Senior Executives Association.



# Benefits

Guiding Principles	Foundational Benefits to SES
Consistency	Created with a common language; promotes consistent evaluations across agencies
Integrity	Developed with Governmentwide collaboration and agreement
Fairness	Promotes equitable evaluation across Government
Leadership-Focused	SES members are accountable for demonstrating executive-level leadership, using the Executive Core Qualifications (ECQs) as a basis.
Clarity	Facilitates a clearer path to full certification
Flexibility	Agencies can customize performance metrics while maintaining the system's overall consistency
Best Demonstrated Practice	Informed by best practices

# Comparison

Current System	New System
Two standard Department-wide elements + three to six position specific performance elements	Five standard elements based on ECQs with government-wide performance requirements + agency and/or bureau performance requirements
All performance elements are weighted equally	Weighting of elements is variable, however, Results Driven element will have highest weight
Percentage driven derivation formula	Standard numerical rating derivation formula
Relatively few executives rated “Fully Successful”	Clear, descriptive performance standards and rating score ranges that establish mid-level ratings as the norm and top-level ratings as truly exceptional
Certified by OPM through 12/08/14, which allows us to compensate executives at the maximum allowable rate of \$181,500 (EX-II)	We have received an extension through 06/08/15 given our implementation of the new system.

# Standardized Form


**SES Performance Management System**  
**Department of the Interior Executive Performance Agreement**


---

**Part 1. Consultation.** *I have reviewed this plan and have been consulted on its development.*

Executive's Name (Last, First, MI):	Appraisal Pd. -
Executive's Signature:	Date:
Title:	Organization:
Rating Official's Name (Last, First, MI):	CA <input type="checkbox"/> NC <input type="checkbox"/> LT/LE <input type="checkbox"/>
Rating Official's Signature:	Date:

---

**Part 2. Progress Review**

Executive's Signature:	Date:
Rating Official's Signature:	Date:
Reviewing Official's Signature (Optional):	Date:

---

**Part 3. Summary Rating**

<input type="checkbox"/> Level 5	<input type="checkbox"/> Level 4	<input type="checkbox"/> Level 3	<input type="checkbox"/> Level 2	<input type="checkbox"/> Level 1
<b>Initial Summary Rating</b>	Outstanding	Exceeds Fully Successful	Fully Successful	Minimally Satisfactory
Rating Official's Name (Last, First, MI):				
Rating Official's Signature:			Date:	
Executive's Signature:			Date:	
Reviewing Official's Signature (Optional):			Date:	

**Higher Level Review (if applicable)**

☐ I request a higher level review. Executive's Initials: \_\_\_\_\_ Date: \_\_\_\_\_

Higher Level Review Completed ☐ Date: \_\_\_\_\_

Higher Level Reviewer Signature: \_\_\_\_\_

---

**Performance Review Board Recommendation** ☐ Level 5 ☐ Level 4 ☐ Level 3 ☐ Level 2 ☐ Level 1

PRB Chair Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**Annual Summary Rating** ☐ Level 5 ☐ Level 4 ☐ Level 3 ☐ Level 2 ☐ Level 1

Appointing Authority Signature: \_\_\_\_\_ Date: \_\_\_\_\_

---

**Part 4. Derivation Formula and Calculation of Annual Summary Rating**

Critical Element	Element Rating		Weight	Score		Summary Level Ranges
	Initial	Final (if changed)		Initial	Final (if changed)	
1. Leading Change			15			475-500 = Level 5 400-474 = Level 4 300-399 = Level 3 200-299 = Level 2 Any CE rated Level 1 = Level 1
2. Leading People			15			
3. Business Acumen			15			
4. Building Coalitions			15			
5. Results Driven			40			
<b>Total</b>			<b>100%</b>			

# Important Milestones

Date	Key Milestone
June 2014	System approved by OPM
June/July/August 2014	Train Executives/Executive Resources Coordinators
October 2014	New system begins October 1 <sup>st</sup> .
November 2014	Sample performance plans submitted to Executive Resources Division.
December 2014	Submit formal certification request to OPM.
March 2015	Expected decision on certification from OPM.

# How to Develop a Performance Plan



# Planning Performance

Three important aspects to planning performance include -

1. Link performance plan to organizational goals.
2. Develop Results Driven performance requirements.
3. Consult with executives on the development of their performance plans.

# Align and Plan Work

Performance plans **must** clearly link to

- Presidential Orders and Initiatives
- Mission Statements
- Strategic Plans
- Organizational Goals
- Budgetary Priorities

# Develop the Performance Plan Overview

- Critical Elements
- Performance Requirements
- Applying the Basic Performance Standards
- Developing the Results-Driven Requirements

# Develop the Performance Plan Critical Elements

The **five** critical elements are based on the Executive Core Qualifications (ECQs)

- Leading Change
- Leading People
- Business Acumen
- Building Coalitions
- Results Driven

# Develop the Performance Plan

## Performance Standards

- The basic SES appraisal system establishes performance standards for each performance level and are part of the performance plan.
- The performance requirements and standards are used together to rate executive performance.

# Develop the Performance Plan

## Weighting Critical Elements

The basic SES appraisal system description requires that all critical elements be weighted.

- **Results Driven** = at least 20%
- **All other Critical Elements** = at least 5%
  - **No single critical element can weigh more than the Results Driven element**
- **Sum of the weights** = 100%

# Develop the Performance Plan

## Weighting Critical Elements

- Individual Bureaus or equivalent offices will assign standard or variable weights based on the challenges anticipated for the upcoming performance cycle.
- Assigned weights will be reviewed annually and changes will be made as appropriate.
- Assigned weights meet minimum weighting requirements and total 100%.
- Bureaus and offices must provide a summary to the Executive Resources Board describing how their executives will be weighted.

# Develop the Performance Plan

## Performance Requirements

- The basic SES appraisal system description has language addressing Government wide performance requirements for all critical elements except the Results Driven critical element.
- DOI may add agency-specific or individual performance requirements for the Leading People, Leading Change, Building Coalitions, and/or Business Acumen elements.
- For example –
  - Small business contracting goals
  - Internal controls
  - Diversity
- No decisions have been made about agency specific elements.



# Develop the Performance Plan Results Driven Element

- Executives must develop the performance requirements for their Results Driven element that are clearly linked to organizational goals.
- **Must have between 3 to 5 performance requirements for the Results Driven critical element.**
- Results Driven performance requirements must include effective performance measures that:
  - Are indicators or metrics that are used to gauge performance.
  - Can either be output or outcome measures.

# Develop the Performance Plan Results Driven Element

- At a minimum, performance requirements must describe performance expected at Level 3 or the “Fully Successful” level.
- Level 3 performance requirements should be high enough to be challenging but not so high that it is not achievable, and it must be able to be exceeded.
- Optional: Define measures for Level 5, “Outstanding”, as well, so the executive understands the range of performance.

# Develop the Performance Plan Results Driven Element

General measures include

- Quality
- Quantity
- Timeliness and/or
- Cost-Effectiveness

# Develop the Performance Plan

## Results Driven Measures

### Quality

- How well work is performed
- Often measured by accuracy, effectiveness, usefulness, reliability, or security
- Consider whether the customer/stakeholder cares about the quality of the result
- Examples
  - The agency has a 95-97% accuracy rate in case completion
  - Program policy supports the Administration's initiative
  - Policy incorporates stakeholder feedback
  - 70-80% customer satisfaction rate with agency service

# Develop the Performance Plan

## Results Driven Measures

### Quantity

- Amount of work performed or outputs produced
- Often measured by raw numbers, percentages, or level of productivity
- Consider the customer/stakeholder needs for numbers achieved or produced
- Examples
  - Backlog reduced by 50-55%
  - An average of 100 cases resolved per month over the year
  - A 60-75% increase in stakeholder use
  - The percentage of lead in the water is reduced by 10-15%

# Develop the Performance Plan: Results Driven Measures

## Timeliness

- How quickly work is completed
- Often measured within a certain time period or by a certain date
- Consider whether customers/stakeholders care when a result is achieved
- Consider whether it is important to accomplish a result by a certain time or date
- **Examples**
  - Result achieved by June 1
  - Project meets quarterly milestones

# Develop the Performance Plan

## Results Driven Measures

### Cost-Effectiveness

- How much time or money is saved in development or acquisition, or by using a more efficient product, service or process
- Often measured as reduced labor hours or reduced financial cost to perform the same work
- Consider whether it is important to complete work or produce results within certain cost constraints
- **Examples**
  - Reduced expenses by 1-3%, maintaining quality
  - Reduced waste by at least 5%, maintaining quality
  - Completed project within 5% of budget, without exceeding budget

# Develop the Performance Plan

## Results Driven Measures

**For each result identified for the Results Driven element (output and/or outcome), ask:**

- How can the [quantity, quality, timeliness, or cost-effectiveness] of the result be measured?
- Is there a number or percent that can be tracked?
- If not, who can determine that the performance result met expectations and what are the factors that person would look for?
- What can be observed and reported to verify the performance level achieved?



# Develop the Performance Plan

## Results Driven Measures

### Tips to consider when developing performance requirements for the *Results Driven* element:

- **DON'T** list tasks and activities (e.g., hold five meetings; visit eight field locations).
- **DON'T** focusing on processes. Focus on more than process or operational data. Focus on the longer-term measures of customer satisfaction, employee satisfaction, product/service quality, and public responsibility.
- **DO** identify the desired outputs, outcomes. If you're having difficulty turning an activity into a measureable output or outcome, try this trick to getting your thoughts moving in the right direction... Just fill in the blanks in the following:

**I will (do what?) by (when?) resulting in (what?), and my success can be verified using (how is it measured?).**

# Rating Performance

# Rating Level Titles

Level	Current System	New System
5	Exceptional	<b>Outstanding</b>
4	Superior	<b>Exceeds Fully Successful</b>
3	Fully Successful	Fully Successful
2	Minimally Successful	<b>Minimally Satisfactory</b>
1	Unsatisfactory	Unsatisfactory

# Deriving the Results Driven Element Rating

- **Rating Officials will determine the overall rating for the Results Driven element as follows:**
  - **Outstanding** – A majority of the performance requirements for the Results Driven element are rated Outstanding.
  - **Exceeds Fully Successful** – A majority of the performance requirements for the Results Driven element are rated at least Exceeds Fully Successful with none below Fully Successful.
  - **Fully Successful** – A majority of the performance requirements for the Results Driven element are rated at Fully Successful with none below Fully Successful.
  - **Minimally Satisfactory** – One or more performance requirements for the Results Driven element are rated at Minimally Satisfactory with none below Minimally Satisfactory.
  - **Unsatisfactory** – One or more performance requirements for the Results Driven element are rated at Unsatisfactory.
- If the performance requirements are equally divided between Outstanding and Exceeds Fully Successful, then the overall rating will be at the Exceeds Fully Successful level. If the performance requirements are equally divided between Exceeds Fully Successful and Fully Successful, the overall rating will be at the Fully Successful level.

# Deriving the Initial Summary Rating

1. Appraise each Critical Element and assign the corresponding points for the performance level.

- Level 5 = 5 points
- Level 4 = 4 points
- Level 3 = 3 points
- Level 2 = 2 points
- Level 1 = 0 points

**(Note: If any Critical Element is rated Level 1, the overall Summary Rating is Level 1 - Unsatisfactory)**

# Deriving the Initial Summary Rating

2. Derive the **initial point score** for each Critical Performance Element by multiplying the performance level point value by the assigned weight.

- E.g., “Leading People” assigned Level 4 (4 points) and is weighted 20% → initial point score = 80.

3. Derive the **total point score** by adding the initial point score from each Critical Element.

# Deriving the Initial Summary Rating

4. Assign the Initial Summary Rating using these ranges.

- 475 – 500 = Level 5 (Outstanding)
- 400 – 474 = Level 4 (Exceeds Fully Successful)
- 300 – 399 = Level 3 (Fully Successful)
- 200 – 299 = Level 2 (Minimally Satisfactory)
- Any Critical Element rated Level 1 = Level 1 (Unsatisfactory)

# Deriving the Initial Summary Rating

## Example

Critical Element	Element Rating	Weight	Score
	Initial Element Score		Initial Point Score
1. Leading Change	4	20	$4 \times 20 = 80$
2. Leading People	5	10	$5 \times 10 = 50$
3. Business Acumen	3	10	$3 \times 10 = 30$
4. Building Coalitions	4	10	$4 \times 10 = 40$
5. Results Driven	4	50	$4 \times 50 = 200$
<b>Total</b>		<b>100%</b>	<b>400</b>

**A total point score of 400 yields a Level 4 Summary Rating**



# Deriving the Initial Summary Rating

## Example

Critical Element	Element Rating	Weight	Score
	Initial Element Score		Initial Point Score
1. Leading Change	5	20	$5 \times 20 = 100$
2. Leading People	5	10	$5 \times 10 = 50$
3. Business Acumen	4	10	$4 \times 10 = 40$
4. Building Coalitions	5	10	$5 \times 10 = 50$
5. Results Driven	5	50	$5 \times 50 = 250$
<b>Total</b>		<b>100%</b>	<b>490</b>

**A total point score of 490 yields a Level 5 Summary Rating**

# SES Performance Appraisal System

## Helpful Links

DOI SES Toolbox

<http://www.doi.gov/pmb/hr/ses-toolbox.cfm>

Linking and Developing Measurable SES Results-  
Focused Performance Requirements – Online Course

[http://www.hru.gov/course\\_catalog.aspx?cid=178&mgr=true](http://www.hru.gov/course_catalog.aspx?cid=178&mgr=true)

SES Performance and Compensation

<http://www.opm.gov/ses/performance/appraise.asp>

# Executive Resources Division

Jonathan Mack

[jonathan\\_mack@ios.doi.gov](mailto:jonathan_mack@ios.doi.gov)

202-208-5590

Michelle Oxyer

[michelle\\_oxyer@ios.doi.gov](mailto:michelle_oxyer@ios.doi.gov)

202-208-6943